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A "Fleet Voice" For Readiness Requirements

Interview with Vice Adm. James F. Amerault, Deputy Chief of Naval Operations, Fleet Readiness and Logistics

Senior Editor Gordon I. Peterson interviewed Vice Adm. Amerault for this issue of Sea Power.

Sea Power: Admiral, what are the strengths of the Navy's method for providing logistics support to its globally deployed fleet?

AMERAULT: Many factors come together to make the system perform well to support our forward-deployed forces. We begin by building reliable ships and shipboard systems, and our Integrated Logistics System helps ensure that we have the right reliability, maintainability, and spares to keep those systems ready.

Almost every naval officer is part logistician at heart. That mindset is rooted in our history dating back to the Age of Sail. Ships went to the far corners of the world without much support, so the idea of sustaining oneself was born early. The requirement for sustainability is almost embedded in our culture, and we are very good at it.

We learned early on that there is only so much space in a ship to carry the things that are absolutely needed. That leads to another principle that is very important today: We have to tailor the inventory.

Ships under sail did not need coal or oil, but they did need water and food. We learned to make brief stops in port or to establish a set of small bases. Today I call these bases "pearls," if you will–like a string of pearls. We don't need much by way of a footprint ashore overseas, but we do need some enclaves where we can support our forces in a very agile way.

We might have a facility like Rota [Spain] which is overseas, but it is not a huge base. We can move forward quickly from Rota to support operations in some other location in the Mediterranean and then quickly withdraw. We have Naval Reserve outfits skilled in deploying a portable base structure capable of moving the things we need over that last mile from the beach to the ship.

We have learned and perfected at-sea replenishment since the early stages of World War II–transferring fuel, food, and ammunition at sea to keep our forces going. Today, our time-proven task organization provides excellent support to the numbered fleet commanders. Each fleet has a task force with the specific responsibility for monitoring the logistics needs of units deployed within their AORs [areas of responsibility].

The distribution of material to ships at sea is not happenstance. Each fleet's logistics force commander can draw on air assets as well as the Combat Logistics Force ships of the Military Sealift Command to achieve rapid delivery of spare parts, provisions, shipboard consumables, fuel, and ammunition.

The strengths of the Navy's mobile logistics-support system are self-sufficiency, cost-effectiveness, and the ability to deliver a tailored inventory quickly by sea, air, or land. It is a remarkable capability that we need to strengthen and protect.

With today's emphasis on transforming the U.S. armed forces for the realities of the 21st century, are

comparable improvements being pursued in Navy logistics and underway-replenishment capabilities?

AMERAULT: Yes. I have established a strategic planning cell specifically tasked to build an outlook that extends to 2030. It may be difficult to plan that far, but by examining all possibilities we can meet the leadership challenge of influencing the future of logistics, infrastructure, and readiness to meet the needs of the warfighter.

We are adapting to 21st-century operating environments in other ways by creating a Logistics Transformation Plan. Wherever possible, large inventories, infrastructure, and government ownership are being replaced with high-speed information systems, private-sector financing, technology insertion, best commercial practices, increased contractor support, and long-term business relationships.

Goals include improving our ability to maintain and sustain the warfighter whenever and wherever it is needed, to achieve optimum readiness at best value, to deliver the tools to improve the responsiveness of our logistics system, and to develop the best-trained and -qualified logisticians in the world.

We also are working to improve our underway-replenishment capabilities. Weapons are different today. We're using more precision-guided munitions and missiles. Some are large or come packed in irregularly shaped containers–you can't put them on a pallet. So we're developing different techniques and equipment for sending munitions over the side from ship-to-ship or by VERTREP [vertical replenishment].

Ships will have smaller crews in the future, so we're also looking at such techniques as having the logistics ship that delivers the product also carry a small group of people to help the receiving ship during the offload. The first load over on the high line [a line used to transfer personnel or stores between ships while they are underway] will be the personnel to augment the crew for a very temporary period while supplies are received and stored.

You are now the "fleet voice" for readiness requirements in such areas as aviation spares, ordnance, ship maintenance, and support for shore installations. How does your new advocacy role for readiness relate to your more traditional responsibilities for logistics?

AMERAULT: The responsibilities are closely linked. Our traditional role was to be a resource sponsor and assessor of requirements in the logistics arena, but it did not include all of the accounts that support readiness and sustainability. Now that we have added the function of DCNO [deputy chief of naval operations] for fleet readiness, we are assessing how well our programmed expenditures are affecting the readiness of our operating forces. This brings many other accounts under our review.

For example, we are trying to assess and verify the requirement for ship depot maintenance. The requirement for that maintenance will be specified in dollars and actually measured with metrics to get it right. It has always been difficult to verify the true requirement, but as you get closer to the real requirement–when you assign a risk based on available funding–you have much more assurance that you will actually get the maintenance, thus readiness, that you intended.

Admiral Clark [Chief of Naval Operations Adm. Vern Clark] has heightened this emphasis on setting and verifying requirements for all programs that support readiness. Whereas in the past we used to complete about 15 base-line assessment memoranda [BAMs] annually, we completed 23 during the past year. These program assessments enable us to quantify the risk associated with funding levels for various readiness programs. It gives us the ability to manage risk--to understand what is an acceptable level of risk in our near-term readiness programs.

Perhaps you could elaborate on your example of ship maintenance?

AMERAULT: Sure. Together with NAVSEA [Naval Sea Systems Command], my staff works with representatives from the Atlantic and Pacific Fleets to determine what requirements are most likely to exist during the programmatic

year for ship availabilities [shipyard maintenance periods]–the degree of work that must be done on each ship during these availabilities. We then put a dollar cost estimate against these requirements.

In practical terms there is always give and take between the fleet and Navy headquarters in determining real requirements, so we brought the fleet into the process to a much greater extent. We want all players' viewpoints on what constitutes a valid assessment of the real requirement so that we all have faith in it. If we take a risk position–funding to 90 percent of the requirement, for example–we and the fleet know what the implications will be.

I don't control the funds to program the money for ship-maintenance requirements. That responsibility falls under N8 [the deputy chief of naval operations for resources, requirements, and assessments]. He supervises programming of Navy-wide requirements across the board. Suppose, based on his review of my assessments, he decides that the Navy should program funds to approximately 90 percent of my requirement? Seeing his programmatic guidance, I know the requirement with enough vigor to go back to him and say, "Okay, funding at that level will have this readiness implication–here's the pain."

I think it's a good system, and it should bear fruit. First of all–and the best part of it–is that our requirements should be believed because they have been documented and validated. In general, there was a feeling in the Navy in the past that we understated our readiness requirements. I look at that as the normal friction between today's readiness needs and trying to buy aircraft and ships for the future.

By putting a marker down for a real near-term readiness requirement as the Navy contemplates how it's going to spend its money, I think we help to balance the risk when funding is allocated between the Navy's procurement and current readiness accounts. That's basically what we are trying to do in this process.

How do you ensure that your overarching strategy for supporting and advocating warfighting readiness does, in fact, reflect the requirements of the Navy's operating forces?

AMERAULT: We work closely with the fleet in a number of ways. When we develop our baseline assessment memoranda, we review the Navy's programmatic position about two years before it becomes an appropriated budget. I convene what we call a "BAM" conference. We invite the fleet, and we invite other stakeholders to work with my staff to develop the assessment.

Wherever possible we base our assessment on known requirements, with real metrics to measure performance and risk. We have good metrics for fleet operations, for example. Fleet operations entail everything we need to operate a ship for a day. For ship steaming hours, we normally program for a fleet average of 50.5 days per deployed quarter and 28 days per nondeployed quarter. We have a good model, and we follow an almost scientific approach in developing a reliable requirement.

We're trying to move toward a more objective, analytical, and measured approach in the development of all assessments. The fleet is playing an important role in this process.

Operational readiness rates are used as metrics, but the traditional DOD [Department of Defense] four-tiered readiness-reporting system has come in for a fair share of criticism in recent years. Is there any thought being given to finding a different way to measure operational readiness more accurately?

AMERAULT: At the unit level, the four resource areas of the Status of Resources and Training System [SORTS] do provide a timely and accurate picture of Navy unit readiness. The need exists for further development in expressing readiness for aggregated units–battle groups and air wings for starters, but also joint readiness when you bring together units from all of the services. For the air wing, for example, we're looking at how to go beyond measuring and translating individual squadron flying hours spent on training into an aggregate assessment of the wing's readiness.

We will carry over our analysis of flying hours into measuring the operational readiness of a battle group. It is more than the sum of the readiness of its individual units. The Navy staff is working with the Atlantic and Pacific Fleets to develop a battle group readiness reporting system to complement the current reporting system for individual units.

You touched upon your efforts to achieve the right balance between funding future modernization and current readiness requirements. Earlier this year you described this process as "the science of risk management." Would you care to elaborate?

AMERAULT: I was trying to characterize the challenge we face in allocating funding shortages in the present budget climate. Whenever we are obliged to fund programs at levels below baseline programmatic requirements, risk is incurred. For years now the Navy has assumed added risk by not receiving needed procurement funding for our core structure of ships and aircraft. We have faced similar shortages with our readiness accounts.

As an example, the Navy requires a build rate of approximately 150 to 210 airplanes a year across the Future Years Defense Plan, but in fiscal year 2001 we are buying 128. Every year that we trade off those numbers we incur added risk that we will possess less capability than required in the future–just as we incur added risk in the near term when we trade off funding requirements in our current readiness accounts for ships, aircraft, and real-property maintenance [RPM].

Honest assessments of requirements enable us to quantify that risk, and this gives us a better handle on managing it by understanding what are acceptable levels of risk in our near-term readiness accounts. As the advocate for fleet readiness, I will wave the red flag when we don't do enough to maintain day-to-day readiness.

It's not an exact science, but we are trying to make the best decisions we can with the information available to us. We have to make sure we get our programming level for our readiness accounts right or we will limit the fleet's ability to perform its mission in the near term.

How difficult is it to strike the right balance when requirements exceed resources–the situation the Navy has faced for a number of years now?

AMERAULT: Our BAMs lay out the requirements, and the IWARS [Integrated Warfare Architectures Assessment] then looks across the traditional warfare-sponsor stovepipes [i.e., air warfare, surface warfare, submarine warfare, expeditionary warfare] so we can formulate balanced recommendations.

During this year's expanded assessments of programs that support readiness we reviewed more than $20 billion worth of annual requirements in increased depth–aviation flying hours, aviation and ship depot maintenance, spares, environmental programs, and ordnance on the afloat side of the house. We reviewed another $7 billion worth of installation support on the shore side.

The hard choices are on the shore-facility side. It's somewhat more subjective to measure how much money it takes to run a base efficiently. So we are trying to develop standards and metrics that will describe the requirements more accurately in terms of their readiness implications.

What are the implications of funding the Navy's forward-deployed forces to high readiness levels at the expense of nondeployed rotational forces?

AMERAULT: This is another example of risk management. We protect operational readiness where it counts the most--at the tip of the spear. The consequence, of course, in our rotational scheme of operations, is that we're starting in a hole in getting the next-deploying battle groups ready to deploy.

The hectic pace of the final weeks of the Inter-Deployment Training Cycle [IDTC] takes a toll on our people as units rush to achieve necessary readiness levels to deploy. We work our people awfully hard at the end of the IDTC. At lower levels of funding for the nondeployed forces, these units have a steeper slope to climb to reach a high readiness level in a shorter period of time.

We have taken steps to make the readiness curve for the IDTC–the "bathtub" curve–less deep in the future. For a second year in a row we fully funded aviation spares so we expect to see some improvement in material readiness. We also have corrected some of our manpower shortages, and we are trying to fund more flying hours in the IDTC to support training requirements. This all contributes directly to improved readiness.

I am somewhat encouraged, but it's going to take resources and commitment to stay on the course to improved readiness for our nondeployed forces.

How serious is the Navy's backlog in deferred ship maintenance, and what are the ramifications?

AMERAULT: Well, any time there is not enough money and there is a need, there is going to be a problem! This February's total of deferred ship maintenance for both the Atlantic and Pacific Fleets was approximately $559 million. If we don't do that maintenance it's like the old oil-change commercial: "Pay me now or pay me later."

There is some maintenance that can be deferred on a case-by-case basis, but if we make it a habit there will be unpleasant consequences. We'll eventually have to do the maintenance anyway, and it could be a more expensive repair, or key systems could break down completely and require total replacement. The maintenance may be required during the ship's deployment, leading to more expensive repair costs overseas and a disruption to the ship's operating schedule.

If the fleets are forced to defer maintenance, they look at the ship's schedule and delay it only up to the point where the work can still be accomplished before the ship deploys. There are times when this can interrupt predeployment training, however, and trying to train and perform major maintenance at the same time is more difficult. It also wears out our Sailors. We'll get the maintenance done, and we'll send ready ships to sea–but it will cost us more in the long run–and be a lot more difficult to do.

There are other ramifications on the financial side when ship maintenance is deferred owing to shortfalls in the ship-maintenance account. We don't have many alternative funding streams to pay for it, and money may come from shore-readiness accounts. The fleet then has to make a choice between the maintenance of buildings, the conditions of their shore facilities, and maintenance support to the fleet, which necessarily has to take priority.

In past years, congressional supplemental appropriations were critical in allowing the Navy to reduce its annual amount of deferred ship maintenance. Will the lack of an early supplemental request by the Bush administration make it more difficult for the fleet to do so this year?

AMERAULT: Well, I'm not the person responsible for the execution of the ship-maintenance program, but I can imagine that the fleet will have difficulties. They'll bring forward as much money out of their RPM or BOS [base-operating support] accounts as they can to keep ship maintenance going–hoping that the supplemental will come in and those shore-support funds can be replaced. If it is late in the year, you then have the problem of whether the funds can be obligated in time so that the work can be contracted.

Last year the Navy told Congress that even mission-critical facilities could be funded in the 2001 budget only to a C-3 readiness condition if additional real-property maintenance funds were not found. What is your assessment today?

AMERAULT: Our funding profiles will keep critical facilities funded to a C-2 readiness condition [the second-highest level of readiness in the four-tiered DOD system] for the 2001 to 2007 time frame. All other facility categories will be funded to C-3. We would like to have help with a supplemental appropriation for RPM to get to a level of funding similar to what we achieved for our most critical requirements–things like airfields, runways, waterfront operational facilities, quarters for Sailors, and training facilities.

The Navy also has faced unanticipated requirements this year to increase funding for force-protection measures, correct?

AMERAULT: There are new force-protection requirements. Obviously, the importance of this issue is rising so it is a priority to plus-up funding in that area this year. We need dollars for force protection in any supplemental this year.

What are some of the management initiatives that you have taken to address your top shore-readiness concerns?

AMERAULT: We are engaged in a long-term effort to operate our shore installations more efficiently and effectively than in the past. We must leverage savings to invest in recapitalization and to improve readiness ashore. I realigned my staff to create a Shore Readiness Division that combines the resource responsibilities for military construction, real-property maintenance, and base-operating support. These accounts make up the basic building blocks of shore infrastructure readiness.

I'm trying to look at readiness ashore in a holistic way. If we build a new building, for example, we should plan for a stream of preventive-maintenance funding to maintain that building from day one–avoiding our normal modus operandi, which is to wait for about four years before any money is provided for maintenance, upkeep, or repair.

So you are trying to define the real life-cycle cost for the facility?

AMERAULT: Yes, that's it. I've received some help from professional facility managers to help us understand how they do this in the civilian world. This effort will have an important payoff. I'm told that if you plan and fund for a facility's maintenance over its life cycle, you eventually realize savings of about 75 percent, and you can prolong the life of the facility by a factor of about 3 to 1.

Regionalization–the consolidation of shore management into 16 regions–has also helped us to focus on readiness ashore in a more effective way. In the old days, each shore station might have a real-property maintenance budget, and that station's CO [commanding officer] had his or her own agenda for how to use those funds. Funds left over at the end of the year were not necessarily spent in an optimum way for the Navy as a whole, and this led to maintenance suboptimization across a region. Today, we have a regional engineer who works with our shore station COs, public works people, and civil engineering staffs to allocate funds where they are needed the most. I am seeing an improvement in the maintenance and upkeep of our facilities.

By the end of this summer, we will implement an Installation Readiness Reporting System–an automated tool that will provide us the information we need to know the actual condition of any Navy shore facility.

We also are identifying standards, cost metrics, information-management tools, and best-business practices to allow us to better relate shore-installation requirements to readiness. This will allow us to bridge the gap between base-operating support requirements and available funding. It will increase the visibility of these costs and, ultimately, allow us to improve the quality of service for our Sailors.

You recently testified to Congress about the "encroachment" taking place on Navy installations and training ranges resulting from such factors as increased urbanization, environmental activism, and local politics. How serious is this problem in terms of Navy training and readiness?

AMERAULT: Encroachment is a serious problem. There is a potential to lose the use of our ranges on Vieques Island [Puerto Rico], and that could have a very serious readiness impact. That's the bell-ringer for us.

On the heels of that, even as we are fighting to keep Vieques as a viable training activity and resource, we are finding it increasingly difficult to train our Sailors effectively at other locations due to overly broad legal requirements combined with commercial and urban encroachment.

Our forces feel the impact of encroachment in many different ways. We are witnessing a loss of training realism and decreased scheduling flexibility. Training schedules are becoming more complex–resulting in increased time away from home, higher training costs, and decreased readiness.

The Navy is a good steward of the environment–we spend more than $900 million a year on our environmental programs and pollution prevention. We have implemented a "maritime sustainability" initiative with the goal of addressing the effects of sound in water. This effort has evolved into an initiative to achieve what we call sustainable readiness in compliance with environmental laws and regulations.

But I believe that environmental laws should factor military readiness into decisions affecting the issuance of permits, the designation of critical habitats, and the adoption of mitigation measures. We need to be sure that, if a new law is conceived, it recognizes the Navy's responsibility for national defense and for our legal requirement under Title X, U.S. Code, to provide "trained, ready, and equipped" forces.

What else is the Navy doing about encroachment?

AMERAULT: We're taking a multifaceted approach. First of all, we need to know the law. We must know what the law says and how it affects us so that we can comply in ways that have the least adverse effect on our training. There is no question that we will comply with the law, but we must work with the regulators to develop an interpretation or understanding of the law that helps us do the training that we need to do.

We have completed most elements of a Training Range Roadmap that will help us to sustain the use of our ranges by linking them to readiness requirements based on comprehensive fleet studies. This roadmap will be completed later this year. I am confident it will validate the value of our ranges and their critical contribution to combat readiness.

We also must conduct outreach initiatives to generate greater understanding of our training requirements and support from Congress, the public, and other agencies.

Thank you for providing this informative view of your responsibilities for fleet readiness and logistics, admiral. Is there anything else you would like to say to members of the Navy League and the other readers of Sea Power?

AMERAULT: Yes, there is. The Navy League helps us immeasurably by the way it adopts ships, reaches out to Sailors, provides scholarships, and sponsors other activities. The League's councils are well-postured in our areas of fleet concentration to assist our installation commanders, especially regarding some of the tough public issues they face today–like the need for training.

We can do many things with simulators, but there comes a time when you need to train as you will fight–in other words, as realistically as possible. Everything in training is geared to promote the same reaction and the right reaction when it happens for real. How do we measure readiness if we don't know what the warfighter's reaction is going to be?

The Navy League can help us by communicating this story and assisting us with our outreach program. I'm available to help in any way you would like me to!

Vice Adm. James F. Amerault graduated from the U.S. Naval Academy and was commissioned in the Navy in 1965. His career has combined extensive duty at sea as a surface warfare officer with positions of increasing responsibility on senior Navy staffs. He commanded the guided-missile frigate USS Nicholas, the destroyer tender USS Samuel Gompers, Destroyer Squadron Six, Amphibious Group Four, and the Western Hemisphere Group. Ashore, Amerault has served in high-ranking positions with responsibilities for Navy resource and financial matters, including duty as director of the Operations Division for the Navy comptroller and director of the Fiscal Management Division in the Office of the Chief of Naval Operations. A graduate of the U.S. Naval Postgraduate School with a master of science degree in operations research, Vice Adm. Amerault also holds a master of arts degree in Middle East Affairs and Arabic from the University of Utah. He was the Navy's Federal Executive Fellow with the RAND Corporation from 1986 to 1987.